

# Personal Income

## Overview

Utah's estimated 2005 total personal income was \$69.6 billion, 8.1% above the 2004 preliminary estimate of \$64.4 billion. This was significantly higher than the U.S. personal income growth of 5.7%. Utah's 2005 per capita personal income was estimated to be \$28,235, an increase of 4.8% over the 2004 estimate. The most recent available income estimates for Utah from the U.S. Bureau of Economic Analysis (BEA) are for 2004. According to the BEA, Utah's 2004 per capita income of \$26,946 ranked Utah 46th in the nation (including Washington, D.C.).

## 2004 Summary and 2005 Outlook

The Utah 2005 total personal income (TPI) was estimated to reach \$69.6 billion, an 8.1% increase from 2004. This continued the strong growth which began in 2004, after historically low gains in the early 2000s. Utah also experienced above average employment growth of 3.5% for 2005, the largest employment gain since 1997. Payroll totals also rose sharply in Utah in 2005. These factors contributed to the strong growth in total personal income in 2005.

Per capita personal income (PCI) is an area's annual total personal income divided by the total population. Utah's estimated 2005 PCI was approximately \$28,235, an increase of 4.8% from the 2004 estimate. Utah's PCI measured at 81.6% of the national PCI, an increase from 80.0% in 2000 and 76.6% in 1990. Utah's PCI weakness against the national average is a combination of two factors: 1) the state's average wages are moderately below the national average, and 2) Utah's population is the nation's youngest and its household size is the highest. This means that in the PCI calculation (TPI divided by population), Utah has a higher percentage of nonwage earners in its denominator than does any other state.

**Composition of Total Personal Income.** The largest single component of total personal income is earnings by place of work. This consists of the total earnings from farm and nonfarm industries, including contributions for social insurance. In 2004, Utahns' earnings by place of work reached \$53.2 billion, representing 82.7% of TPI. An estimated 12.6% of this was proprietors' income, 70.0% came from wages, and the remaining 17.4% was supplements to wages and salaries. Private sector nonfarm earnings accounted for 80.7% of nonfarm earnings, while earnings from public (government) industries made up 18.8%. Although earnings from government employment have been declining as a share of Utah's total earnings, it is still relatively larger than the U.S. share (16.5%).

The other two major components of TPI are: dividends, interest, and rent (DIR), and transfer payments (such as social security, welfare, or retirement). In 2004, Utah's DIR reached \$9.6 billion, and transfer payments were \$7.3 billion. Some of the major differences between the economic compositions of Utah and the United States lie between these two parameters. Perhaps the most significant is that Utah transfer payments comprise a much smaller share of TPI than the national figure (11.3% in Utah versus 14.7% nationally). DIR is only slightly smaller (14.9% in Utah vs. 15.8% nationally). Thus, Utahns rely to a greater extent on wage earnings as their income source.

The industrial composition of Utah's TPI has changed in recent years. In 1980, goods-producing industries (natural resources and mining, construction, manufacturing) generated over 30% of Utah's total earnings. By 2004, that share had dropped to 21%. Similarly, 20% of U.S. earnings are currently within goods-producing jobs.

In 2005, government was the largest wage income industry in Utah, generating 18.8% of all the wage income earned in 2005. It was also the largest wage income industry in the nation, at nearly 16.5%. It was followed by trade, transportation and utilities, which produced 17.0% of Utah's wage earnings in 2005. This sector employed more workers than the government sector, but the wage levels were considerably below those paid in the government sector. Professional and business services provided 14.4% of Utah's wages. Having a high wage-income percentage in this sector is beneficial because many positions in this sector are high paying, knowledge-based jobs. Manufacturing continued to slowly rebound from its recent hardships and accounted for 11.9% of Utah's wage earnings and 12.9% nationally.

**Per Capita Personal Income.** According to the Bureau of Economic Analysis, Utah's 2004 per capita personal income was \$26,946, ranking Utah 46th among the 50 states and Washington, D.C. During the 1970s, Utah's PCI ranged between 83.0% and 85.7% of the nation's PCI. However, from 1977 to 1989, this parameter dropped 10 percentage points to 75.6%. Since then, it has slowly increased, reaching its most recent high of 81.6% in 2005.

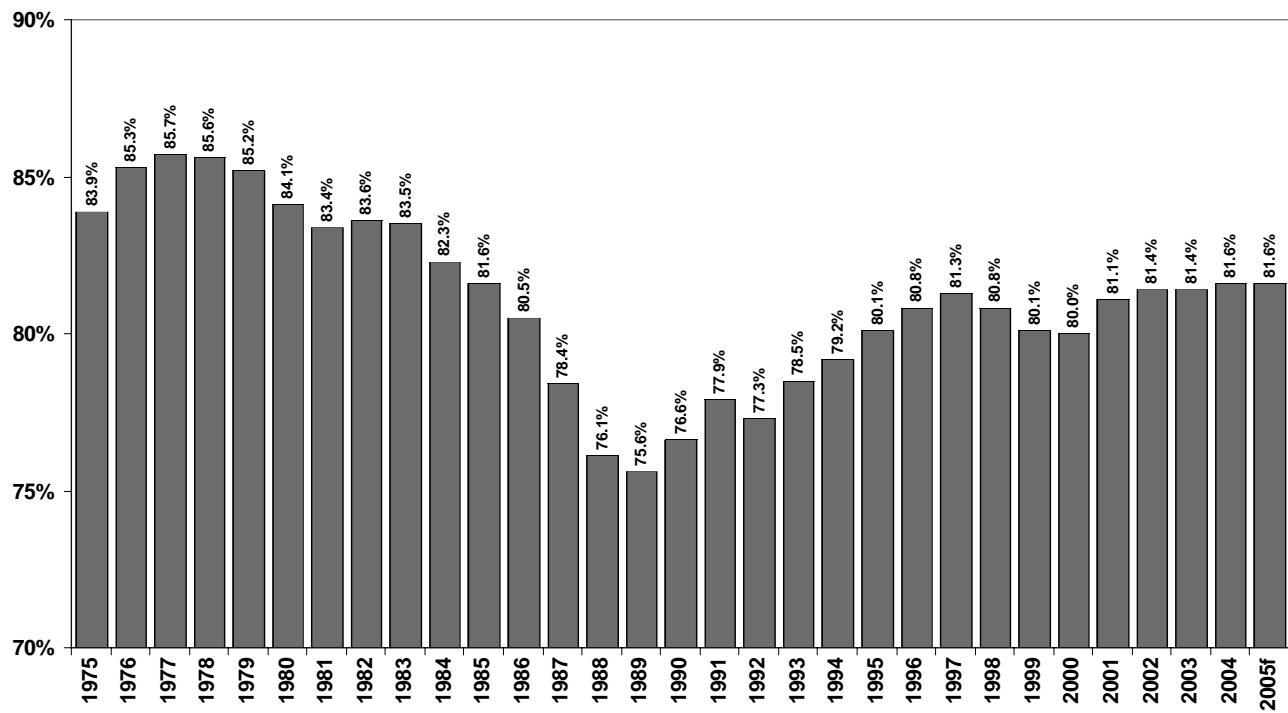
**County Personal and Per Capita Income.** Several counties experienced double-digit growth in personal income in 2004. Most of these were small counties where it is easier to achieve large percentage growth rates, but also included was Washington County, which produced a 12.8% increase. Most of Utah's highly populated counties along the Wasatch Front saw vigorous percentage gains, including Morgan (8.6%), Cache (6.9%), Utah (6.5%), Salt Lake (5.7%), and Davis (5.2%) counties.

Summit County had an estimated per capita income in 2004 of \$49,597, the highest in the state. It was followed by Salt Lake (\$31,391) and Davis (\$27,636) counties. San Juan County (\$15,605) had the lowest per capita income in the state, measuring at only 57.9% of the Utah average. The 2004 per capita income for the United States (\$33,041) was higher than all of Utah's counties except Summit County.

## Conclusion

Utah's total personal income increased 8.1% in 2005, a direct result of the significant economic rebound the state is experiencing. This strong growth can be attributed to job growth, wage growth and ongoing population gains. Wages were the highest source of income in Utah and for the nation (82.7% in Utah vs. 78.0% for the nation). Generating income from transfer payments is a larger form of income generation on the national level than it is in Utah, due to the fact that Utah has a smaller retirement-aged population than the national average.

Figure 32  
Utah Per Capita Personal Income as a Percent of U.S.



Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Governor's Office of Planning and Budget

Table 30  
Components of Utah's Total Personal Income

Components	Millions of Dollars		Percent Change		2004 Percent Distribution		Industry Distribution	
	2003r	2004p	2003-2004		Utah	U.S.	Utah	U.S.
Personal income	60,320	64,376	6.7		100.0	100.0		
Earnings by place of work	49,578	53,235	7.4		82.7	77.7		
less: Personal contrib. for social insurance	5,351	5,748	7.4					
plus: Adjustment for residence	19	30	61.3					
equals: Net earnings by place of residence	44,246	47,517	7.4					
plus: Dividends, interest, and rent	9,214	9,604	4.2		14.9	15.8		
plus: Transfer payments	6,860	7,255	5.8		11.3	14.7		
Components of earnings	49,579	53,235	7.4		82.7	78.0		
Wage and salary disbursements	35,078	37,268	6.2		57.9	55.5		
Supplements to wages and salaries	8,443	9,277	9.9		14.4	13.3		
Proprietors' income	6,058	6,690	10.4		10.4	9.2		
Farm proprietors' income	102	129	26.5		0.2	0.4		
Nonfarm proprietors' income	5,955	6,561	10.2		10.2	8.8		
Earnings by industry	49,578	53,235	7.4		82.7	71.2	100.0	100.0
Farm earnings	225	246	9.3		0.4	0.6	0.5	0.8
Nonfarm earnings	49,353	52,989	7.4		82.3	77.4	99.5	99.2
Private earnings	39,920	42,963	7.6		66.7	64.5	80.7	82.7
Natural Resources and Mining	598	715	19.6		1.1	1.0	1.3	1.3
Construction	3,722	4,181	12.3		6.5	4.8	7.9	6.2
Manufacturing	6,083	6,318	3.9		9.8	10.1	11.9	12.9
Durable goods	4,123	4,233	2.7		6.6	6.5	8.0	8.3
Nondurable goods	1,959	2,085	6.4		3.2	3.6	3.9	4.6
Trade, Transportation, Utilities	8,415	9,063	7.7		14.1	12.6	17.0	16.1
Wholesale trade	2,149	2,334	8.6		3.6	4.0	4.4	5.2
Retail trade	3,761	4,057	7.9		6.3	5.2	7.6	6.6
Information	1,549	1,653	6.7		2.6	2.9	3.1	3.7
Financial Activities	4,116	4,442	7.9		6.9	7.9	8.3	10.2
Professional & Business Services	7,055	7,672	8.7		11.9	11.6	14.4	14.8
Educational & Health Services	4,485	4,827	7.6		7.5	8.3	9.1	10.6
Leisure & Hospitality	1,712	1,798	5.0		2.8	3.0	3.4	3.8
Other Services	2,158	2,296	6.4		3.6	2.3	4.3	3.0
Government and government enterprises	9,433	10,026	6.3		15.6	12.9	18.8	16.5
Federal, civilian	2,480	2,639	6.4		4.1	2.5	5.0	3.2
Military	781	819	4.9		1.3	1.2	1.5	1.6
State	2,580	2,787	8.0		4.3	2.5	5.2	3.3
Local	3,593	3,781	5.2		5.9	6.6	7.1	8.5

r = revised

p= preliminary

Source: U.S. Department of Commerce, Bureau of Economic Analysis, November 2004

Table 31

## Personal and Per Capita Income: Utah and U.S.

Year	Total Personal Income (Millions of Dollars)		Annual Growth Rates		Per Capita Personal Income (Dollars)		Utah as % of U.S.
	Utah	U.S.	Utah	U.S.	Utah	U.S.	
1960	\$1,832	\$409,617	6.9	4.4	\$2,035	\$2,276	89.4
1961	1,958	427,094	6.9	4.3	2,091	2,334	89.6
1962	2,137	454,486	9.1	6.4	2,230	2,447	91.1
1963	2,221	477,521	4.0	5.1	2,281	2,534	90.0
1964	2,334	511,831	5.1	7.2	2,386	2,679	89.1
1965	2,472	553,074	5.9	8.1	2,494	2,859	87.2
1966	2,629	601,119	6.3	8.7	2,605	3,075	84.7
1967	2,773	644,282	5.5	7.2	2,721	3,264	83.4
1968	2,984	707,542	7.6	9.8	2,900	3,550	81.7
1969	3,238	772,235	8.5	9.1	3,093	3,836	80.6
1970	3,611	832,429	11.5	7.8	3,389	4,085	83.0
1971	4,023	897,952	11.4	7.9	3,655	4,342	84.2
1972	4,516	987,137	12.2	9.9	3,980	4,717	84.4
1973	5,052	1,105,605	11.9	12.0	4,323	5,231	82.6
1974	5,688	1,217,556	12.6	10.1	4,745	5,707	83.1
1975	6,392	1,329,892	12.4	9.2	5,180	6,172	83.9
1976	7,328	1,469,467	14.7	10.5	5,760	6,754	85.3
1977	8,356	1,627,310	14.0	10.7	6,348	7,405	85.7
1978	9,623	1,831,117	15.2	12.5	7,054	8,245	85.6
1979	11,035	2,053,827	14.7	12.2	7,792	9,146	85.2
1980	12,519	2,298,255	13.5	11.9	8,501	10,114	84.1
1981	14,206	2,580,600	13.5	12.3	9,374	11,246	83.4
1982	15,541	2,764,886	9.4	7.1	9,973	11,935	83.6
1983	16,803	2,949,883	8.1	6.7	10,535	12,618	83.5
1984	18,546	3,275,805	10.4	11.0	11,431	13,891	82.3
1985	19,794	3,511,344	6.7	7.2	12,048	14,758	81.6
1986	20,663	3,708,199	4.4	5.6	12,426	15,442	80.5
1987	21,361	3,934,655	3.4	6.1	12,729	16,240	78.4
1988	22,287	4,237,460	4.3	7.7	13,192	17,331	76.1
1989	23,891	4,571,133	7.2	7.9	14,005	18,520	75.6
1990	25,817	4,861,936	8.1	6.4	14,913	19,477	76.6
1991	27,573	5,032,196	6.8	3.5	15,492	19,892	77.9
1992	29,601	5,349,384	7.4	6.3	16,115	20,854	77.3
1993	31,810	5,548,121	7.5	3.7	16,756	21,346	78.5
1994	34,437	5,833,906	8.3	5.2	17,566	22,172	79.2
1995	37,218	6,144,741	8.1	5.3	18,478	23,076	80.1
1996	40,386	6,512,485	8.5	6.0	19,529	24,175	80.8
1997	43,667	6,907,332	8.1	6.1	20,600	25,334	81.3
1998	47,019	7,415,709	7.7	7.4	21,708	26,883	80.7
1999	49,343	7,796,137	4.9	5.1	22,393	27,939	80.1
2000	53,561	8,422,074	8.5	8.0	23,878	29,847	80.0
2001	56,594	8,716,992	5.7	3.5	24,809	30,575	81.1
2002	58,163	8,872,521	2.8	1.8	25,073	30,814	81.4
2003r	60,320	9,156,108	3.7	3.2	25,645	31,487	81.4
2004p	64,376	9,702,525	6.7	6.0	26,946	33,041	81.6
2005e	69,590	10,257,000	8.1	5.7	28,235	34,617	81.6

r = revised

p = preliminary

e = estimate

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Utah Department of Workforce Services

Table 32

## Total Personal Income by County

	Millions of Dollars				Percent Change		
	2001	2002r	2003p	2004e	2001-02	2002-03	2003-04
State Total	\$56,593.8	\$58,162.7	\$60,319.7	\$64,376.0	2.8	3.7	6.7
Beaver	145.2	139.1	144.7	155.7	-4.2	4.0	7.6
Box Elder	939.8	941.0	986.3	1,011.9	0.1	4.8	2.6
Cache	1,815.7	1,875.5	1,981.8	2,120.5	3.3	5.7	7.0
Carbon	449.7	450.5	459.8	480.9	0.2	2.1	4.6
Daggett	15.5	15.5	16.5	17.3	0.0	6.5	4.8
Davis	6,276.1	6,494.2	6,768.5	7,218.7	3.5	4.2	6.7
Duchesne	301.6	300.6	317.4	363.4	-0.3	5.6	14.5
Emery	198.3	200.2	207.3	225.7	1.0	3.5	8.9
Garfield	90.1	89.8	93.1	103.9	-0.3	3.7	11.6
Grand	173.4	173.8	180.8	191.6	0.2	4.0	6.0
Iron	611.1	649.6	679.0	738.1	6.3	4.5	8.7
Juab	154.7	161.2	163.5	193.9	4.2	1.4	18.6
Kane	136.8	139.8	148.9	155.3	2.2	6.5	4.3
Millard	240.5	244.1	259.1	275.7	1.5	6.1	6.4
Morgan	166.2	164.2	169.4	185.3	-1.2	3.2	9.4
Piute	24.4	24.8	26.5	30.5	1.6	6.9	15.1
Rich	44.5	44.5	47.6	51.8	0.0	7.0	8.8
Salt Lake	26,313.9	26,974.8	27,721.8	29,359.7	2.5	2.8	5.9
San Juan	188.5	190.1	200.5	218.7	0.8	5.5	9.1
Sanpete	368.4	374.8	387.0	397.1	1.7	3.3	2.6
Sevier	349.6	351.3	363.4	389.2	0.5	3.4	7.1
Summit	1,417.7	1,446.2	1,505.4	1,678.5	2.0	4.1	11.5
Tooele	887.2	931.7	988.1	1,034.5	5.0	6.1	4.7
Uintah	483.8	478.1	515.2	595.1	-1.2	7.8	15.5
Utah	7,683.1	7,893.5	8,220.6	8,812.5	2.7	4.1	7.2
Wasatch	351.3	367.9	386.3	414.9	4.7	5.0	7.4
Washington	1,903.4	1,980.3	2,118.4	2,490.4	4.0	7.0	17.6
Wayne	49.9	49.0	49.9	54.2	-1.8	1.8	8.6
Weber	4,813.4	5,016.6	5,212.9	5,411.0	4.2	3.9	3.8
U.S. percentage change					1.7	3.2	3.2

r = revised

p = preliminary

e = estimate

## Sources:

1. 2001-2003: U.S. Dept. of Commerce, BEA, May 2005.
2. 2004: Utah Department of Workforce Services, Workforce Information, November 2005.

Table 33  
Total Per Capita Personal Income by County

	2001	2002	2003p	2004e	Percent Change		
					2001-02	2002-03	2003-04
State Total	\$24,809	\$25,073	\$25,645	\$26,946	1.1	2.3	5.1
Beaver	24,105	22,781	23,597	25,621	-5.5	3.6	8.6
Box Elder	21,665	21,343	21,991	22,582	-1.5	3.0	2.7
Cache	19,390	19,544	20,353	21,756	0.8	4.1	6.9
Carbon	22,747	22,684	22,914	24,425	-0.3	1.0	6.6
Daggett	16,761	17,189	18,161	18,683	2.6	5.7	2.9
Davis	25,693	26,024	26,265	27,636	1.3	0.9	5.2
Duchesne	20,702	20,204	21,091	24,220	-2.4	4.4	14.8
Emery	18,436	18,664	19,098	21,048	1.2	2.3	10.2
Garfield	19,202	19,463	20,295	23,470	1.4	4.3	15.6
Grand	20,404	20,089	20,634	21,993	-1.5	2.7	6.6
Iron	17,678	18,352	18,908	20,342	3.8	3.0	7.6
Juab	18,259	18,635	18,448	21,523	2.1	-1.0	16.7
Kane	22,949	23,119	24,237	25,138	0.7	4.8	3.7
Millard	19,398	19,683	20,698	22,406	1.5	5.2	8.2
Morgan	22,744	22,088	22,414	24,337	-2.9	1.5	8.6
Piute	17,399	17,894	19,001	21,895	2.8	6.2	15.2
Rich	22,803	22,751	23,235	25,219	-0.2	2.1	8.5
Salt Lake	28,914	29,367	29,699	31,391	1.6	1.1	5.7
San Juan	13,856	13,729	14,363	15,605	-0.9	4.6	8.6
Sanpete	15,871	16,022	16,275	16,791	1.0	1.6	3.2
Sevier	18,353	18,353	18,782	20,005	0.0	2.3	6.5
Summit	45,797	45,332	45,500	49,597	-1.0	0.4	9.0
Tooele	20,182	20,227	20,359	20,820	0.2	0.7	2.3
Uintah	18,770	18,198	19,396	22,313	-3.0	6.6	15.0
Utah	20,087	20,133	20,506	21,848	0.2	1.9	6.5
Wasatch	21,727	21,723	21,719	22,873	0.0	0.0	5.3
Washington	20,120	19,856	20,084	22,656	-1.3	1.1	12.8
Wayne	19,713	19,236	19,869	21,732	-2.4	3.3	9.4
Weber	24,045	24,637	25,075	25,935	2.5	1.8	3.4
United States	30,575	30,814	31,487	33,041	0.7	2.2	4.7

p = preliminary

e = estimate

Sources:

1. 2001-2003: U.S. Dept. of Commerce, BEA, May 2005.
2. 2004: Utah Department of Workforce Services, Workforce Information, November 2005.